

PROPOSAL FOR AUDUBON CIRCLE HOUSING PLAN

Prepared for:

BOSTON UNIVERSITY, AUDUBON
CIRCLE NEIGHBORHOOD ASSOCIATION,
AND THE CITY OF BOSTON

by:

ECONOMICS RESEARCH ASSOCIATES

SCOPE OF SERVICES

Economics Research Associates, in conjunction with Hunneman Corporation and Earl Flansburgh Associates, is pleased to submit the following scope of services to assist the University, City and Audubon Circle Neighborhood Association (ACNA) is developing a mutually agreeable plan for the sale of properties identified in the December, 1984, Agreement between Boston university and the City of Boston.

Based on a physical analysis of the properties, and market and financial analysis of development opportunities, we will prepare a set of use alternatives for the properties, we will prepare a set of use alternatives for the properties and detailed guidance on implementing the plan. This planning process will involve the close participation of the Audubon Circle Neighborhood Association, Boston University and the City of Boston. Up to twelve meetings will be held with Boston University, the City of Boston, and the Audubon Circle Neighborhood Association during the study process. The purpose of these meetings will be to review work, and establish an ongoing process of feedback between the consultant and the clients (BU, BRA, and ACNA) regarding alternatives and recommendations. This feedback will be especially important for Tasks 4 and 6, Development Opportunities and Development Scenario, at which point the consultant will assist the clients (BU, BRA, and ACNA) to reach a consensus on the preferred reuse option.

Drafts of work-in-progress will be submitted to the client at regular intervals during the planning process. Ongoing feedback on these drafts will ensure that the final project meets the needs of the client. A final report of 25 copies will be submitted at the end of the sixth month.

The timetable for the planning process is illustrated in Figure 1.

Our scope of services is presented in the following six work tasks.

Task 1. Inventory, Inspection, and Evaluation of Properties

- 1a. The consultant will document the following characteristics of all properties in the Audubon Circle neighborhood outside the area of the University campus as described in the Cooperation Agreement of July 1980 and referred to in the December 1984 Agreement, which are owned by Boston University. The listing of properties and any legal constraints to disposition will be provided by Boston University. The City (BRA) will provide information on zoning and licensing status of the properties.

The consultant's report will include the following based on information provided by Boston University and/or the City:

- o Current use of uses;
 - o Zoning including height, density, setbacks, etc.;
 - o Plot plan of the property;
 - o Type and number of occupants (BU student, other student, faculty, office, etc.)
 - o Legal constraints on disposition.
- 1b. The consultant will obtain from the City (Assessors or BRA) building, lot, and property maps for the neighborhood which will form the base map for all analyses, to be prepared by the City.
 - 1c. The consultant will undertake a representative sample (25 percent) interior inspection and a 100 percent exterior inspection of the properties. An assessment of the condition of each with respect to structural soundness, major mechanical/electrical systems, interior and exterior materials and finishes and maintenance will be undertaken.

Task 2. Market Analysis

The consultant will evaluate values of housing in the Audubon Circle area, including rental properties, condominiums, and owner-occupied properties with rental units.

A detailed investigation of the zoning by-laws, surrounding neighborhood, and area real estate market will be conducted. This comparative analysis will be done on a price per square foot basis. The consultant will identify primary user groups, including elderly individuals, young professionals, empty nesters, management employees for corporations, institutional employees from B.U. and the nearby Longwood Medical area and low and moderate income families.

Task 3: Rehabilitation Costs

The consultant will develop budget estimates for the cost of rehabilitation of each property considering a range of uses and number and size of units to be rehabilitated as indicated in Task 4.

Task 4: Development Opportunities

Based on market trends, zoning rehabilitation costs and neighborhood priorities, ERA will recommend up to three alternate uses for each property. At this phase of the planning process, ERA will work closely with the Audubon Circle Neighborhood Association, Boston University and the City of Boston to define these alternatives.

The development options will reflect the City's over-all housing policies, including achieving affordable units and providing multi-bedroom units to accommodate housing for larger families.

Specific uses to be considered will include but not be limited to:

- o private market rate rental housing;
- o private market rate sales housing, condominiums, and cooperatives;

- o publicly assisted housing;
- o private rental housing using tax exempt financing;
- o private rental and sales housing using subsidy programs, including Section 8, 705, etc.; and rent condo sales skewing;
- o single room occupancy;
- o limited equity cooperatives;
- o owner-occupied townhouses;
- o Chapter 689 Housing;
- o ground floor retail/office uses accessory to the principal residential use.

A financial analysis will be carried out for each alternative and will include:

- o financial pro formas, based on an income and expense analysis, will be prepared including sales prices, rehab costs, rental and sales prices of units and parking rates. The consultant will also include operating costs, taxes, debt service including mortgages as applicable, arranged by MHFA, EOCD, etc.
- o the sale price of the property necessary to make the re-use option feasible.
- o the impact of subsidies on feasibility. This analysis will also have to include an identification and evaluation of funding sources.
- o the impact of rehabilitation costs on each option.

Task 5: Appraisal

An appraiser's study will include an exterior inspection of each property and environs. The interiors of a representative sample of the properties (i.e., 25 percent) will be inspected and interior descriptions for the other properties as well as floor plans and measurements provided by Boston University for all buildings for which they exist will be reviewed.

We will conduct a development analysis based on either a rental or condominium approach to each building, as is appropriate. Where the consultant determines that buildings could realistically be converted to condominiums, the valuation approach will entail projecting price levels for the potential condominium units and then deducting all hard and soft costs associated with converting the building from its existing use to a condominium. This valuation approach is an income method related to condominium development. The residual value will represent the value of the property in its current state.

Where the consultant determines that the appropriate conversion would be to rental housing, we will project monthly rents for the units in each building and then convert the gross income estimate into an indication of value using a gross rent multiplier. For the larger buildings, we will deduct stabilized operating expenses and then capitalize the net operating income into an indication of value.

The results of these analyses will be presented in one narrative appraisal report for all properties. It includes valuation of each building based on its highest and best use and its value on the open market if acquired and developed for that use.

The clients may also direct the consultant to identify values for the properties under alternative development plans which restrict the use of buildings to moderate, low income, elderly, or single occupancy rental. The City staff and relevant funding agencies will supply comparable sales information to assist in identifying the "restricted use," affordable housing value. The gap in valuation between the market and restricted use of the property will be identified.

As a matter of university policy, the University reserves the right to carry out its own additional appraisal to assist in establishing the final sales price of each property. In addition to the above method of determining value of properties, the University will make available, on an expeditious and confidential basis, income and costs of each property. The University agrees that any additional appraisals will be done within the agreed upon disposition schedule.

Task 6. Development Scenario

A preferred reuse plan will be prepared pursuant to the December 1984 agreement and acceptable to the clients. This reuse plan will reflect a balance between market demand, financial feasibility, and client's concerns over meeting housing needs and the availability of housing subsidies to achieve the affordable housing component. The Development plan will be prepared with substantial input from the clients. A schedule will be prepared showing the recommended timing for planning, sale, rehabilitation and construction. The City, in conjunction with the consultant, will be responsible for identifying available funding sources.

BUDGET ALTERNATIVES

In accordance with your request, we have prepared a budget estimate totaling \$50,000 to adequately and comprehensively address all the issues.

**BOSTON UNIVERSITY OWNED
AUDUBON CIRCLE HOUSING**



I. UNIVERSITY OWNED BUILDINGS

806 - 820 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of 18 one and one half room studios and small, oddly shaped one bedroom apartments.

824 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of six studio and one bedroom apartments.

826 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of seven studio and one bedroom apartments.

828 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of nine studio and one bedroom apartments.

830 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of eight studio and one bedroom apartments.

832 Beacon Street

Acquired in 1983 and substantially renovated throughout as a condominium conversion. Higher quality appliances and fixtures were used in this renovation, as was higher quality carpeting. Building consists of eight studio and one bedroom apartments.

834 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of eight studio and one bedroom apartments.

836 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of seven studio and one bedroom apartments.

844 Beacon Street

Acquired in 1982 and substantially renovated throughout. Building consists of twenty-six one and two bedroom apartments.

848 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of nine studio, one and two bedroom apartments.

850 Beacon Steet

Acquired in 1981, this building is a lodging house. Fifteen rooms are available for rent. Renovations have been minor in nature.

852 Beacon Street

Acquired in 1983, this building has not been substantially renovated since its acquisition. It is comprised of ten studio and one bedroom apartments.

856 Beacon Street

Acquired in 1985, this building has not been substantially renovated since its acquisition. It is comprised of ten studio and one bedroom apartments.

860 Beacon Street

Acquired in 1985, this building has not been substantially renovated since its acquisition. It is comprised of thirty-two one and two bedroom apartments.

862 Beacon Street

Acquired in 1985, this building has not been substantially renovated since its acquisition. It is comprised of six one bedroom apartments.

864 Beacon Street

Acquired in 1981 and substantially renovated throughout. Building consists of ten studio and one bedroom apartments.

866 Beacon Street

Acquired in 1981, this building has been renovated, but not substantially. It is a combination of 4 apartments and 4 lodging house type rooms.

870 Beacon Street

Acquired in 1982 and substantially renovated throughout. Building consists of nine studio and one bedroom apartments.

872 Beacon Street

Acquired in 1982 and substantially renovated throughout. Building consists of eight studio and one bedroom apartments.

1A Buswell Street

This building was leased from 1979 through 1981, this building was acquired in 1981 and renovated during the summer of 1982. The building consists of 14 studio and one bedroom apartments.

15 Buswell Street

This building was leased from 1979 through 1981, this building was acquired in 1981 and renovated during the summer of 1982. The building consists of ten studio and one bedroom apartments.

46 Mountfort Street

Leased by the University in 1979, 46 Mountfort Street was purchased in December, 1980. It was completely renovated during the summer of 1981. All furnishings are new, and the building is in excellent condition. The building consists of twenty-five one, two and three bedroom apartments.

90 St. Mary's Street

Acquired in 1981, this building is a lodging house which is comprised of eight suites of six rooms each. All suites have a common kitchen and share bathroom facilities. The building was in excellent condition when purchased, and renovations have been minor in nature.

August 14, 1986

MEMORANDUM

TO: Boston Redevelopment Authority and
Stephen Coyle, Director

FROM: Richard P. Garver, Deputy Director
Larry Koff, Coordinator of Institutional Planning

SUBJECT: Audubon Circle Housing Plan

In December, 1984, the Mayor's Office of the City entered into an agreement with Boston University in connection with sale of Commonwealth Armory. The agreement established that Boston University would make the Armory the location of at least 550 units of student housing. In conjunction with this commitment, Boston University would enter into a planning process leading to the sale of properties it owns outside the area of the Charles River Campus established in its 1980 agreement with the City. It agreed to contribute along with the City \$25,000 for retaining a consultant. This consultant would work with Boston University, the City and Audubon Circle residents to prepare a disposition plan for the properties.

This divestiture would involve 23 buildings, and could lead to the creation of approximately 250 affordable housing units in the Audubon Circle area. It is the goal of the Audubon Circle Neighborhood Association and the BRA to create a substantial number of below market units through this divestiture process.

As called for in the 1984 Agreement, BRA staff, working with representatives of the Audubon Circle Neighborhood Association and Boston University, have now identified a consultant team and have established the scope of services for a planning process leading to sale of the properties. The scope of services, attached, will involve an inventory of all the properties in question, an architectural survey of their rehabilitation potential, a market analysis and appraisal, the identification of redevelopment options and the recommendation of a reuse development scenario. The firm of Economics Research Associates, supported by Hunneman Corporation and the architectural firm of Earl Flansburgh Associates, was selected to undertake this work after review of candidates by the Audubon Circle Neighborhood association, the BRA and Boston University. ERA has proposed to carry out

the scope of services for \$50,000. Boston University has agreed to share the costs of this contract equally with the Boston Redevelopment Authority.

It is therefore recommended that the Director be authorized to enter into a contract with Economics Research Associates for \$50,000, and to enter into an agreement under which \$25,000 would be reimbursed by Boston University. An appropriate vote follows:

VOTED: That the Director be authorized to enter into a contract with Economic Research Associates to prepare a Housing Plan for Audubon Circle for a sum not to exceed \$50,000 and to enter into an agreement under which Boston University would reimburse one half of the cost of the contract.

